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SOUTHERN ESSEX
SERVICE DELIVERY AREA
(Includes Lynn, Salem and Gloucester)

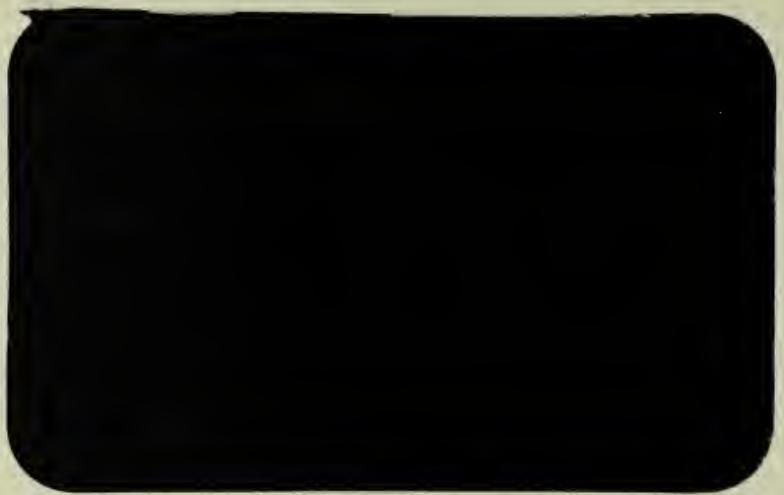
Industry and Occupational Analysis

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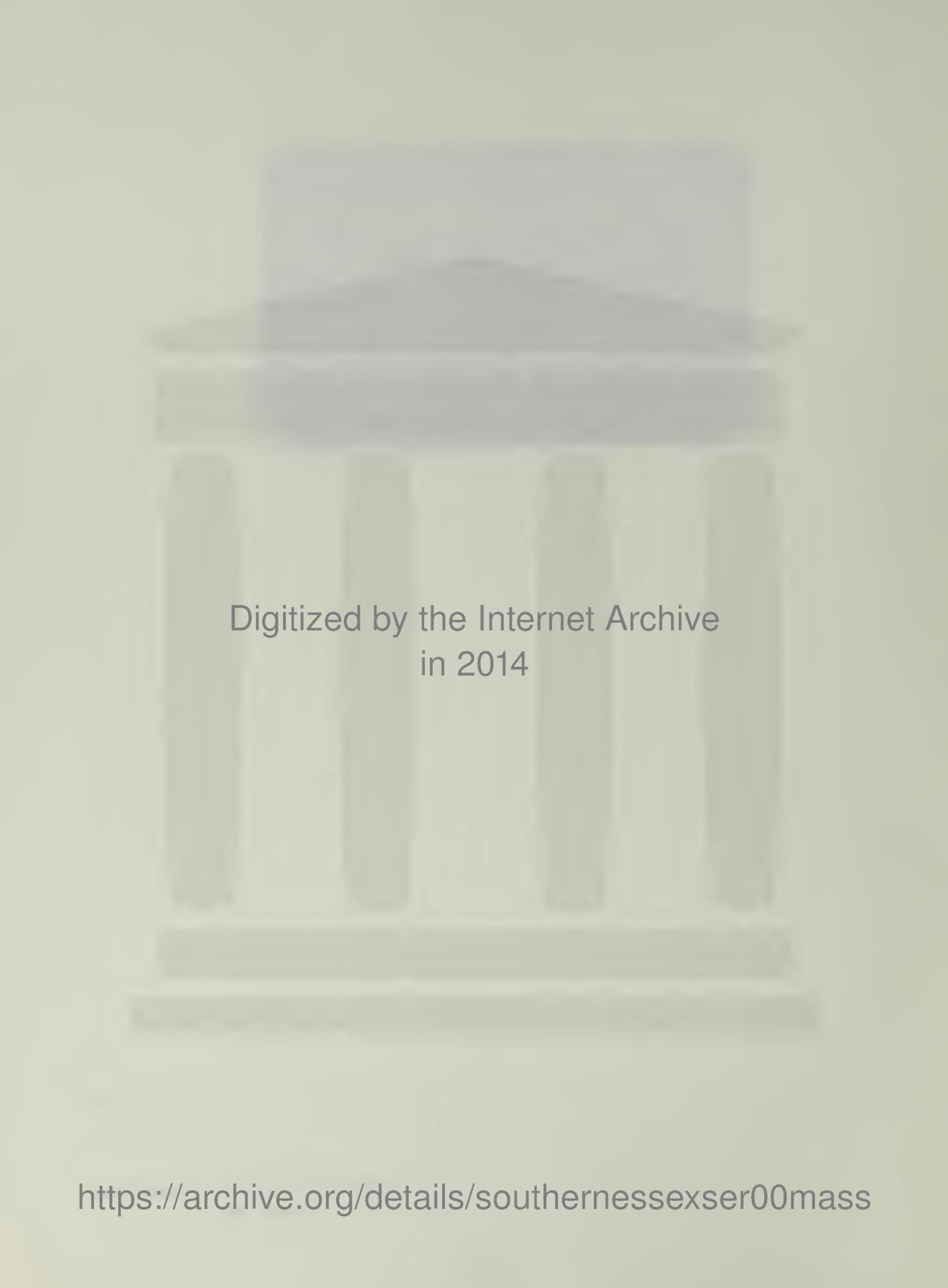
Division of Employment Security

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A very faint, out-of-focus background image of a classical building, possibly a temple or a government building, featuring four prominent columns and a triangular pediment at the top.

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Southern Essex SDA

I. Introduction

The Southern Essex SDA consists of 5 cities and 14 towns in Essex County. The five cities are Beverly, Gloucester, Lynn, Peabody and Salem. The 14 towns are Danvers, Essex, Hamilton, Ipswich, Lynnfield, Manchester, Marblehead, Middleton, Nahant, Rockport, Saugus, Swampscott, Topsfield, and Wenham.

In April 1984, the unemployment rate for the SDA was 4.6 percent as compared with 5.9 percent one year ago. The current unemployment picture compares very favorably with the other 14 Service Delivery Areas in the state. Only Northern Middlesex, which had a 3.9 percent rate; and Metro South/West with a 3.2 percent rate had lower unemployment rates. These two SDA's have a high concentration of high-tech industries. The April unemployment rate in the Southern Essex SDA was 0.4 percent lower than the seasonally unadjusted statewide rate of 5.0 percent.

Not only is unemployment low in Southern Essex but its relative position has strengthened compared to the state and the nation. Between 1981 and 1983 the annual average unemployment rate increased from 6.0 percent to 6.2 percent. During this same period, however, the Massachusetts unemployment rate climbed from 6.4 percent to 6.9 percent while the national rate jumped from 7.6 percent to 9.6 percent. While recessionary influences did push the Southern Essex unemployment rate up to 7.0 percent for 1982, it then dropped slightly during 1983.

II. Industry Analysis

Between third quarter 1981 and third quarter 1983 Southern Essex manufacturing employment declined by 8.5 percent. Most of the decrease took place in the first half of this time period. Statewide manufacturing employment declined by 5.1 percent. While the manufacturing sector was losing ground the nonmanufacturing sector was gaining strength especially in the service industries and in wholesale and retail trade. Nonmanufacturing employment in the Southern Essex SDA expanded by 4.7 percent while for the state it grew by 6.8 percent. Although Southern Essex nonmanufacturing employment growth is not outperforming the state's average, the SDA's resident employment situation is stronger than most other SDA's in the state. The state's employment figures are being propelled forward by dramatic growth in the Northern Middlesex SDA, the Metro South/West SDA and Metro North SDA. Most of the residents in Southern Essex SDA are in commuting distance to at least one of these three SDA's as well as to downtown Boston.

The percentage of manufacturing employment to total employment in Southern Essex is about average for the state. In Southern Essex manufacturing employment represents 29 percent of the 126,700 private wage and salary jobs while at the statewide level it represents 27 percent. The percentage of two other major sectors in Southern

Essex are wholesale and retail trade, 34 percent and services 24 percent. Statewide these two sectors are 27 percent and 29 percent respectively.

A list of growth industries was obtained by selecting those industries that exceeded the overall employment growth in the Southern Essex SDA between third quarter 1981 and third quarter 1983. This growth occurred despite the fact that the national economy began a prolonged recession in July 1981 that did not officially end until November 1982.

Electric Lighting and Wiring Equipment increased its employment by seven percent from 1981 to 1983 bringing the employment level up to over 2,700. This industry is dependent upon the construction industry which is expected to continue to grow over the long term. The most prevalent growth occupation in this industry is electro-mechanical equipment assembler.

Eating and Drinking Places. Employment in this industry exhibited strong job growth between third quarter 1981 and third quarter 1983. The industry grew by 11.1 percent during this time period.

State employment projections for this industry during the 1980's shows a 17 percent growth rate. Changing lifestyles, higher incomes, increasing female labor force participation, and more leisure time all contribute to people dining out more. Employment growth will be more pronounced in fast food restaurants.

The leading occupations within Eating and Drinking Places are for the most part unique to this specific industry. Therefore, the fortunes of such occupations as waiter/waitress, kitchen helper, fast food worker, cook, and bartender are tied into the overall employment prospects for the industry.

Business Services is another small but growing industry in Southern Essex. Employment is now approaching the 4,000 level as a result of a 22 percent increase over the 1981 to 1983 period.

As the marketplace becomes more sophisticated and emphasis is placed on specialization, many establishments will contract with other firms for services that were formally done within the company. Such contract services may include specialized consulting, business management, research and development, and protective services.

Nursing and Personal Care Facilities increased its employment by 17.4 percent from 1981 to 1983 bringing the employment level to over 3,000. As the population ages, the demand for these facilities will increase. The most prevalent growth occupation in this industry is nurses aides/orderlies.

Department Store employment in the 80's is expected to increase statewide by 5.6 percent. Although its growth rate is not as rapid as some other industries it does employ over 4,000 workers in the SDA. The two important growth occupations in this industry are cashiers and general office clerks.

Residential Building Construction added 540 jobs to its payroll from 1981 to 1983, which brought its employment level to over 1,200. This industry is expected to grow statewide by over 30 percent during the 80's. It is now one of the fastest growing industries, although employment is still well below peak employment levels of the early 70's. Some of the important growth occupations in this industry are carpenters, electricians, and helpers, trades.

III. Growth Occupations

The list of growth occupations presented in this report were obtained by examining the occupational structure of all growth industries and comparing those identified with employment projections. All of the occupations accounted for a significant share of industry employment (at least 2.0 percent) and were projected to grow by at least 12.0 percent in the 1980's (the statewide average). Because of the primary audience for these planning packages are vocational education planners, engineering occupations and those occupations which clearly required more than a bachelor's degree for entry were not included.

Waiters and Waitresses take customer orders, serve food and beverages, make out checks and take payments. The occupation will generate 11,000 new jobs in Massachusetts during the 80's the third highest. People dining out more and opportunities for part-time work should contribute to rising employment levels. Many more positions will become available because of the high turnover nature of the position.

Fast Food Preparation Workers are employed in restaurants where menus are generally limited to a few primary items. Employment in this occupation will grow at a nearly 50 percent rate between 1980 and 1990. These occupations have very high turnover rates and offer many part-time openings. With changing demographics leading to a sharp drop in the number of teenaged youth, job openings could be quite high.

Security Guards protect property at commercial, industrial, and government centers, as well as public buildings such as banks, art galleries, and museums. Employment will grow rapidly through the 80's as concern increases over crime and vandalism. Over half of employment is concentrated within miscellaneous business services, namely protective security agencies. Opportunities will be best for those seeking work on night shifts.

Cooks are in charge of food preparation, though their specific duties vary depending upon the size of the establishment. The demand for cooks and chefs will rise as people dine out more often. Areas exhibiting growing population will likewise generate increased opportunities. Persons who have had courses in food preparation will have an advantage in competing for the more lucrative jobs in large restaurants.

Carpenters work with wood and other building materials, such as plastic and fiberglass, to do construction and repair. A large proportion of carpenters acquire their skills through informal means, such as working as a carpenter's helper. Ideally, people who plan to work as carpenters should complete a formal apprenticeship program which usually consists of four years of on-the-job training. Over 40 percent of carpenters are employed in residential building construction, non-residential building construction, or special trade contracting, while nearly 30 percent of carpenters are self-employed. Statewide projections indicate a faster than average growth rate for carpenters as a result of the construction of new structures and alteration and maintenance of old ones. While the long-term employment outlook is good, the number of job openings may fluctuate from year to year as the economy expands and contracts.

Electricians usually work in either construction or maintenance. Although some electricians gain their experience through on-the-job training, either as helpers of electricians or in the Armed Forces, employers prefer applicants who have completed a formal four-year apprenticeship program. Electricians must be licensed to practice in Massachusetts. Employment of electricians in Massachusetts is expected to grow 50 percent faster than the average for all occupations, as more electricians will be needed to install electrical fixtures and wiring in new and renovated buildings and to maintain electrical systems used by industry. Approximately 40 percent of electricians are employed in special trade electrical contracting, and about 15 percent are self-employed. Another 10 percent work in government and three percent are employed in ship and boat building and repairing. Construction electricians can expect more fluctuation in employment than maintenance electricians because of the cyclical nature of the construction industry.

Cashiers are responsible for handling the money that comes into an enterprise. In supermarkets and large department stores cashiers spend long periods standing at checkout counters processing customer purchases of store items. Employment of cashiers is expected to grow at a slightly above average rate. The widespread use of automated checkout systems such as those in supermarkets may slow growth, but many more jobs will be created as a result of high job turnover. Nearly half of all cashiers are employed in grocery stores with another 20 percent employed among department stores, drug stores, and eating and drinking places.

Nurse Aides work under the direction of physicians and nurses caring for sick and injured patients. The increasing demand for health care of a longer living population should accentuate long term demand. Approximately half of all nurse's aides work in nursing homes and other long-term care facilities. Another one-third of nurse aide positions occur in hospitals. Employment is expected to grow by nearly 20 percent but many additional positions will become available due to high job turnover.

General Office Clerks have varied duties which usually include a combination of bookkeeping, typing, office machine operating, and filing. While employment is expected to grow more slowly than the average for all occupations, the number of annual openings will be substantial due to the large size of this occupational group and because of high turnover and replacement demands. As business expansion creates increases in the volume of paperwork, demand will persist for general office clerks to handle the necessary communications flow. General office clerks are employed in many industries such as schools, government, hospitals, insurance, banking, brokerage services, and grocery stores.

Bookkeepers ensure that the financial records of a firm are complete, accurate and up-to-date. They work with invoices, ledgers, vouchers, and bank balances and use adding machines and calculators; some also use business or personal computers. Employment of bookkeepers is expected to post an average growth rate, although many additional openings will be created by turnover. The computerization of bookkeeping and accounting procedures and the introduction of programmable calculators and personal computers is changing the nature of the job for a large proportion of these workers.

Licensed Practical Nurses (LPN's) work under the supervision of physicians and registered nurses to help care for the physically or mentally ill. They train in programs which generally last one year and which include both classroom study and clinical practice. Employment of LPN's is projected to grow at over 20 percent as the demand for health care continues to grow rapidly. There will be a need for practical nurses to care for the growing elderly population, to provide additional health care that results from expansion in public and private health insurance plans, and for private duty nursing. Approximately 60 percent of LPN's work in hospitals and 23 percent in nursing and personal care facilities.

Electro-Mechanical Equipment Assemblers put together, test and repair precision equipment such as gyros, gear trains, magnetic drums, and tape and punched-card readers, which are used in a variety of automated and electronic systems. Employment growth in the occupation is expected to exceed the average, with additional openings occurring due to traditionally high job turnover. Robot technology is not expected to impact these assembly jobs adversely in the near future, however, these positions have always been very sensitive to changes in business conditions with layoffs likely during periods of economic decline.

Southern Essex SDA

Growth Industries

Electric Lighting and Wiring Equipment
Eating and Drinking Places
Business Services
Department Stores
Nursing and Personal Care Facilities
Residential Building Construction

Growth Occupations

Waiters/Waitresses
Fast Food Preparation Workers
Security Guards
Cooks
Carpenters
Electricians
Cashiers
Nurse's Aides/Orderlies
General Office Clerks
Bookkeepers
Licensed Practical Nurses
Electro-Mechanical Equipment Assemblers

TABLE #
 UNEMPLOYMENT RATES FOR THE
 SOUTHERN ESSEX
 SERVICE DELIVERY AREA,
 MASSACHUSETTS, and UNITED STATES

PERIOD	SDA	MASSACHUSETTS	UNITED STATES
1981 Annual Average	6.0	6.4	7.6
1982 Annual Average	7.0	7.9	9.7
1983 Annual Average	6.2	6.9	9.6
<u>1982</u>			
JANUARY	7.2	8.0	9.4
FEBRUARY	7.5	8.3	9.6
MARCH	6.7	7.6	9.5
APRIL	7.1	8.0	9.2
MAY	7.7	8.6	9.1
JUNE	8.1	9.0	9.8
JULY	8.3	9.6	9.8
AUGUST	6.6	7.6	9.6
SEPTEMBER	6.4	7.4	9.7
OCTOBER	6.3	7.2	9.9
NOVEMBER	5.8	6.5	10.4
DECEMBER	6.2	7.1	10.5
<u>1983</u>			
JANUARY	7.6	8.7	11.4
FEBRUARY	7.2	8.2	11.3
MARCH	7.1	8.0	10.8
APRIL	5.9	6.7	10.0
MAY	5.9	6.5	9.8
JUNE	6.8	7.5	10.2
JULY	5.6	6.2	9.4
AUGUST	5.4	6.0	9.2
SEPTEMBER	6.4	7.0	8.8
OCTOBER	6.0	6.4	8.4
NOVEMBER	5.3	5.6	8.1
DECEMBER	5.2	5.8	8.0
<u>1984</u>			
JANUARY	6.8	7.3	8.8
FEBRUARY	5.7	6.3	8.4
MARCH	5.4	5.8	8.1
APRIL	4.6	5.0	7.6

SOURCE: Local Area Unemployment Statistics Program
 Figures not adjusted for seasonality.

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